CANADA · ALBERTA
Crop Insurance

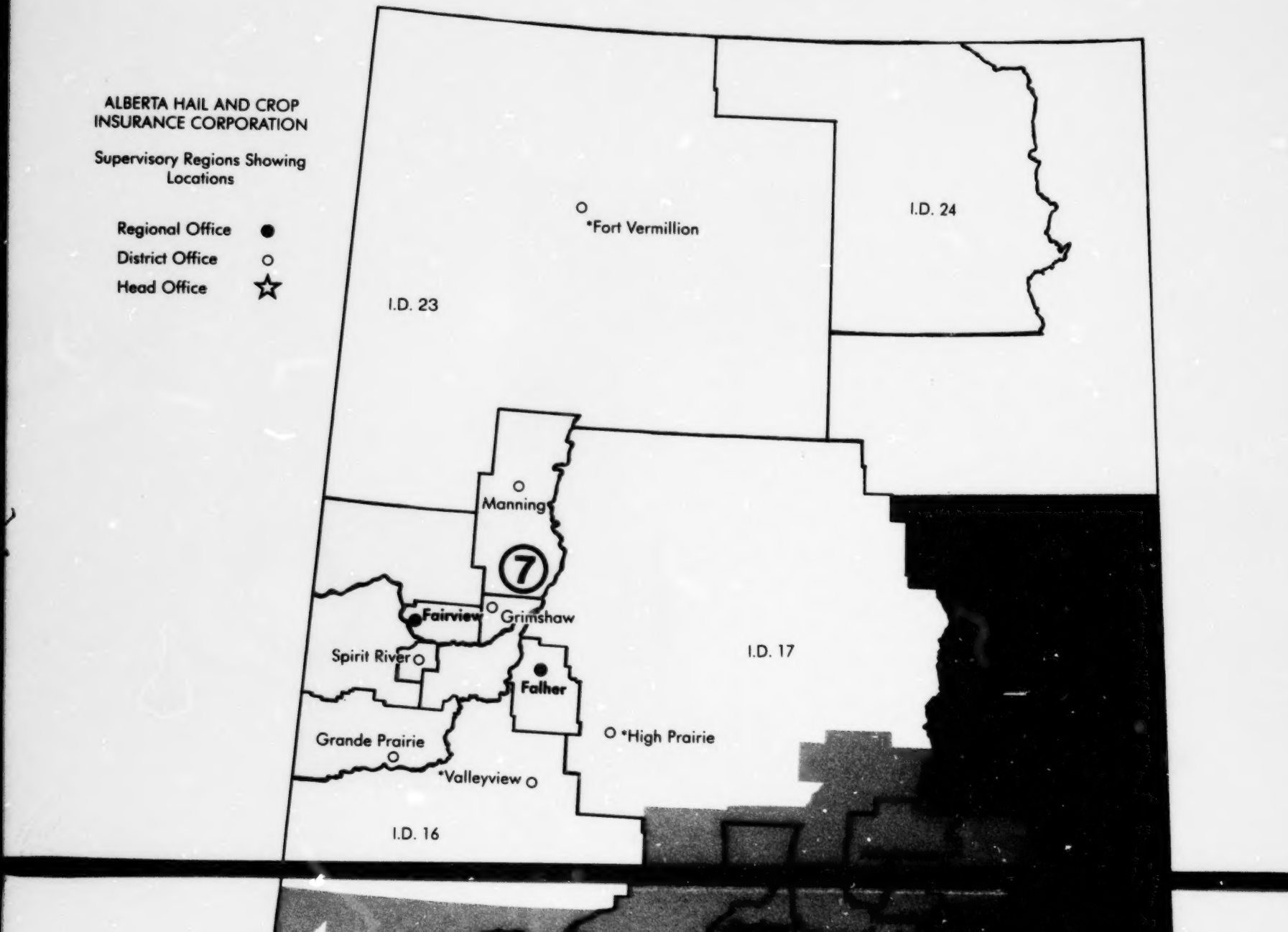
ALBERTA Hail Insurance

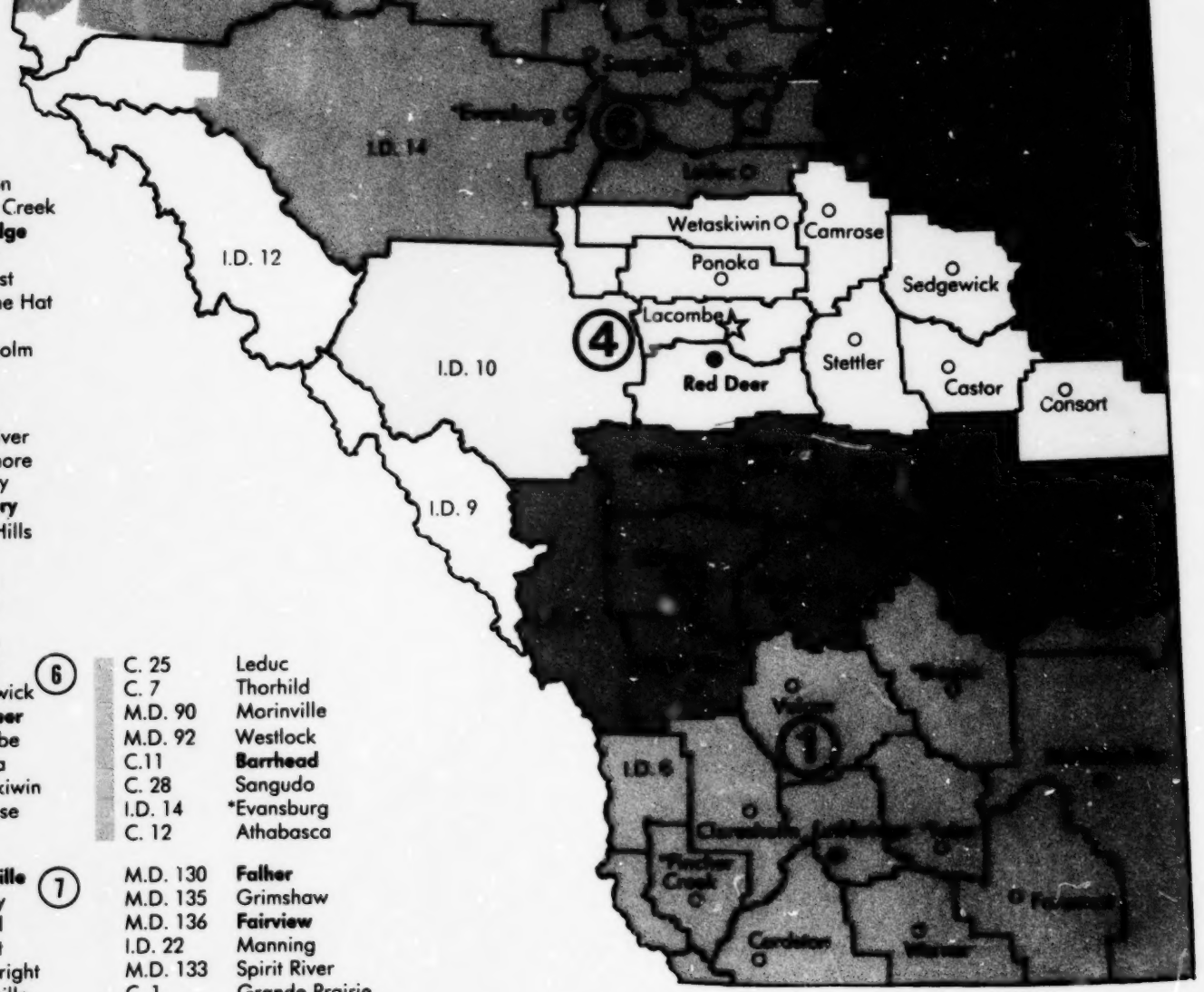
16th Annual Report
Year Ended March 31, 1984

ALBERTA HAIL AND CROP INSURANCE CORPORATION

Agriculture Canada

Alberta AGRICULTURE


ALBERTA HAIL AND CROP INSURANCE CORPORATION
Supervisory Regions Showing Locations
Regional Office
District Office
Head Office
*Fort Vermillion
I.D. 24
I.D. 23
Manning
7
Fairview
Grimshaw
Spirit River
Falher
I.D. 17
Grande Prairie
*High Prairie
*Valleyview
I.D. 16



1

M.D. 6	Cardston
M.D. 9	*Pincher Creek
C. 26	**Lethbridge**
C. 5	Warner
C. 8	Foremost
I.D. 1	Medicine Hat
M.D. 14	*Taber
M.D. 26	Claresholm
C. 2	Vulcan
C. 4	*Brooks

2

M.D. 31	High River
C. 16	Strathmore
M.D. 44	Calgary
C. 17	**Didsbury**
M.D. 48	Three Hills
S.A. 3	Oyen
S.A. 2	Hanna
M.D. 47	Morrin

4

C. 6	Stettler
C. 18	Castor
C. 29	Sedgewick
C. 23	**Red Deer**
C. 14	Lacombe
C. 3	Ponoka
C. 10	Wetaskiwin
C. 22	Camrose

6

C. 25	Leduc
C. 7	Thorhild
M.D. 90	Morinville
M.D. 92	Westlock
C.11	**Barrhead**
C. 28	Sangudo
I.D. 14	*Evansburg
C. 12	Athabasca

5

C. 9	Ryley
C. 27	**Vegreville**
C. 24	Kitscoty
C. 19	*St. Paul
M.D. 52	Provost
M.D. 61	Wainwright
M.D. 87	*Bonnyville
C. 13	*Smoky Lake
C. 21	Two Hills
C. 30	Lamont

7

M.D. 130	**Falher**
M.D. 135	Grimshaw
M.D. 136	**Fairview**
I.D. 22	Manning
M.D. 133	Spirit River
C. 1	Grande Prairie
I.D. 17	*High Prairie
I.D. 16	*Valleyview
I.D. 23	*Fort Vermillion

*These offices were open half-days only. Regional Offices in boldfaced type.

C. — County, M.D. — Municipal District, I.D. -- Improvement District, S.A. — Special Area

Alberta Hail and Crop Insurance Corporation

Board of Directors

James P. Christie - Chairman
Trochu

Robin Wallace - Vice-chairman
Barrhead

James W. Daines - Director
Innisfail

Albert Kooy - Director
Lethbridge

John Langelier - Director
Falher

Frank J. Schwengler - Director
St. Paul

Gordon E. Stromberg M.L.A. - Director
New Norway

James M. McKay - Executive Secretary
Calgary Board of Directors

Principal Officers

Edwin A. Patching - General Manager

L. G. Bannerman - Comptroller

Louis H. Nelson - Office Manager

Rodney A. Rains - Director of Research

A. E. (Bert) Sager - Director of Country Operations

Auditor:

D. W. Rogers, C.A.
Auditor General - Province of Alberta

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BOARD OF DIRECTORS
JAMES P. CHRISTIE, CHAIRMAN
ROBIN WALLACE, VICE-CHAIRMAN
JAMES DAINES
ALBERT KOOY
JOHN LANGELIER
FRANK SCHWENGLER
GORDON STROMBERG, M.L.A.

E.A. PATCHING, GENERAL MANAGER

J. M. McKAY, EXECUTIVE SECRETARY TO BOARD OF DIRECTORS

ALBERTA HAIL AND CROP INSURANCE CORPORATION

TELEPHONE 782-4661

5718 - 56TH AVENUE
BAG SERVICE #16
LACOMBE, ALBERTA
T0C 1S0

July 27, 1984

The Honourable LeRoy Fjordbotten
Minister of Agriculture
418 Legislative Building
EDMONTON, Alberta
T5K 2B6

Sir:

I have the honour of submitting herewith the Sixteenth Annual Report of the Alberta Hail and Crop Insurance Corporation.

This report is submitted in accordance with Section 9 of the "Hail and Crop Insurance Act" being Chapter H-1 R.S.A. 1980 and contains a summary of operations and the audited financial statements for the fiscal year ending March 31, 1984.

I trust this report will be of interest to you.

Respectfully submitted,

James P. Christie
Chairman, Board of Directors
ALBERTA HAIL AND CROP
INSURANCE CORPORATION

Directors' Report

Fiscal Year Ending March 31, 1984

The Alberta Hail and Crop Insurance Corporation is a crown corporation of the Province of Alberta which was established under the authority of the Hail and Crop Insurance Act (1969) being Chapter H-1 R.S.A. 1980. This Act which became effective on April 1st, 1969 provided for the merger of the Alberta Hail Insurance Board and the Alberta Crop Insurance Corporation. Since the merger the Corporation has administered two separate insurance programs: Hail Insurance and "All-Risk" Crop Insurance.

The Alberta Hail and the Canada-Alberta crop insurance programs, although administered by one staff, have been operated quite separately. The need for this separation is apparent from the fact that the Hail Insurance program is self-sustaining and receives no government subsidies, whereas all administrative costs of the Crop Insurance program are paid by the Government of Alberta and, in addition, the Government of Canada pays one-half of the overall premium costs.

While administration and adjusting for both programs are carried out by the same employees, resulting in considerable operating efficiencies, a separate accounting of all expenses is kept for each plan. Wherever possible, expenses are allocated directly to each program. Unallocated costs are apportioned on the basis of the number of contracts in force in a given year. For the 1983-84 fiscal year, unallocated costs were shared on the basis of 21% to hail insurance and 79% to crop insurance.

Activities of the Board of Directors

In conducting the affairs of the Corporation the Directors held twelve regular monthly meetings and one special meeting. All meetings were held in the Corporation's offices in Lacombe with the exception of the January meeting, which was held in Edmonton so as to provide the Directors with the opportunity to attend portions of the annual meeting of Unifarm. It also provided the Directors with an opportunity to meet with the Honourable LeRoy Fjordbotten, Minister of Agriculture, where problems relative to the Corporation's insurance programs were discussed.

In addition to its regular and special meetings, the Board was fully represented at the Western Regional Crop Insurance Conference on July 18 and the National Crop Insurance Conference on July 19, 20 and 21 in Winnipeg. The Western Regional meeting, which is held annually, is convened to provide authorities of the Western Region an opportunity to discuss problems common to the region. The National Crop Insurance Conference is called every second year to provide representatives of all the provinces, the Crop Insurance Division of Agriculture Canada, and the Federal Crop Insurance Division of the United States an opportunity to meet and discuss problems common to the crop insurance administrations of Canada and the United States. The delegations were also given the opportunity to inspect the specialized farming operations of a section of southeastern Manitoba.

During the year the Directors were provided with first-hand knowledge with respect to the cloud seeding activities of the weather modification projects of the Alberta Research Council. In addition to the hail suppression and rain increase activities, the Directors showed a keen interest in plans for research into the increase of the snowpack on the eastern slope of the Rocky Mountains. The Directors are very concerned over the shortage of irrigation water for the various projects of southern Alberta.

The Directors were actively engaged in a study directed toward the integration of a price assurance option with the basic crop insurance program. This study will continue in the 1984-85 fiscal year and will be expanded to include the views of the other western provinces and of Agriculture Canada.

A joint meeting with the Board of Directors of the Alberta Agricultural Development Corporation was held in Camrose on March 7. The meeting proved to be of considerable benefit to both corporations.

Regional and District Offices

In the 1983-84 fiscal year, the Corporation continued to operate service offices at fifty-three (53) centres in Alberta. Seven of these district offices were also designated as Regional Offices from which the affairs of the Corporation for the region were administered. These offices are listed on the inside front cover of this report.

Alberta Hail Insurance Program

The Hail Insurance Program offers farmers protection against crop loss caused by the single hazard of hail on all crops grown in Alberta. Most crops can be insured to the maximum of $125.00 per acre. This coverage is available to all farmers in Alberta and may be purchased singly or in addition to the coverage available under other crop insurance programs.

The 1983 Hail Insurance Season

Hail Insurance sales in 1983 amounted to $267,131,353 of actual risk written with $15,953,238 of premium income being generated, which was slightly greater than the business written in 1982 of $262,522,900 of risk and $15,522,054 of premium. The increase in premium in 1983 was due to the increase in business and a general increase in the premium rates of those townships which had suffered heavy losses in 1982.

In establishing premiums for the year, rates were increased in 295 townships and decreased in 107 townships. These adjustments resulted in an increase in premium of 2.33% when based on the business experience of the previous year. It also resulted in an increase in the average premium rate across the province from 5.93% to 6.12%.

Hail losses under this program in 1983 totalled $11,407,498 or 71.50% of the year's premium income, which was slightly lower than the long-term average annual experience of 73.10%. Hail was recorded on 60 days as compared to the 46-year average of 52 days. However, the storms of 1983 were, in most cases, of less intensity than those of 1982. The adjusting staff inspected 1,726 claims under this program in 1983.

Premium Refund

Because of a favorable hail loss to premium experience in 1983, the Corporation was able to refund 10% of the premium to those non-claimant policyholders whose accounts were paid in full by March 31, 1984. This refund amounted to a total of $1,205,573 in the 1983-84 fiscal year.

Reserves

The total reserves for hail insurance were increased by $2,395,436 during the 1983-84 fiscal year to a revised total of $13,007,452.

Reinsurance Treaty

Negotiations continued throughout the 1983-84 fiscal year toward the purchase of a new and improved reinsurance agreement to become effective for the 1984-85 reinsurance season. No reinsurance was carried under this program in 1983-84. A reinsurance treaty was completed with Universal Reinsurance Intermediaries Ltd. toward the end of the fiscal year, which will be effective to cover 1984 losses.

Hail Insurance Agreement with the Eastern Irrigation District

The agreement under which the Alberta Hail and Crop Insurance Corporation undertakes to supply hail insurance coverage on all crops grown in the Eastern Irrigation District was continued in 1983. The basic purpose of the agreement is to supply hail insurance coverage which is approximately equal to the water rate charged. In 1983 this agreement called for a blanket coverage of $7.50 per acre on a 10% deductible basis at a premium of 20.5 cents per acre. A comparative statement showing the Corporation's experience under this program to date is outlined under Appendix A of this report.

Chronological Summary of Major Hail Storms in Alberta in 1983

June 22 - Beiseker to Hussar
24 - Roundhill to Ryley

July 4 - Lethbridge, Barrhead to Legal and Fort Saskatchewan
5 - Fairview
6 - Irma to Edgerton, Oyen, Taber to Hays
7 - Pincher Creek to Aetna, Vulcan
8 - High River to Rockyford, Vulcan, Lloydminster
12 - Eckville to Lacombe and Alix, Olds
13 - Athabasca to Plamondon
17 - Hines Creek to Fairview, High Prairie
18 - Fort Macleod to Lethbridge, Taber and Medicine Hat
24 - Chauvin, High River to Arrowwood, Bentley to Lacombe and Tees

August 2 - Beaverlodge to Debolt and Crooked Creek, Grimshaw
3 - Stony Plain to Mundare, Bentley to Lacombe
4 - Ryley to Irma
15 - Innisfail to Morrin
23 - Kelsey to Lougheed and Irma
25 - Kinsella to Wainwright

September 3 - St. Vincent to St. Paul and Elk Point
11 - Irma

Canada-Alberta Crop Insurance Program

The Crop Insurance program is a plan which offers farmers a guarantee that regardless of the weather, they will receive a minimum return from their insured crops. It is intended to take much of the risk out of farming and to enable the farmer to plan ahead confident that his income in any year will not drop below a certain level. In most cases, the guarantee to an insured is closely related to his costs of production.

The Crop Insurance program provides protection against crop loss caused by all of the natural hazards. An insured farmer is guaranteed a specified number of bushels of a specified grade for each insured crop on the farm unit. If production falls below the insurance coverage, the insured is paid the difference at a pre-selected dollar value per bushel.

The Crop Insurance program also provides protection against hail on a spot-loss basis through an endorsement to the basic policy. Through this endorsement, the insured may receive payment for a loss on any part of each insured crop.

The Government of Canada provides financial assistance to the Canada-Alberta Crop Insurance Program by contributing 50 per cent of the total premium required each year. The federal government's contribution to this program totalled $43.56 million for 1983. The Government of Alberta contributes all of the administrative costs, plus a premium subsidy in high risk areas, which together totalled $9.06 million in 1983.

1983 Crop Conditions

An early spring allowed farmers throughout Alberta to begin working their field in April, and in spite of cool temperatures and limited moisture during May, most farmers completed their spring seeding by June 1. Soil moisture was adequate at seeding time but germination was patchy because of crusting or cool soil temperatures. Later seeded crops also suffered patchy germination as a result of the fields being dried from excessive cultivation and limited moisture. A strong need for moisture throughout the province was somewhat relieved by rains during the week of June 11 in the Peace River region and in central and northern regions on June 18 and 25. Unfortunately, the area south of Calgary received only light showers and the need for additional moisture was acute.

Heavy rains in the central and northern parts of the province continued throughout July, causing some flooding and the yellowing of crops due to moisture stress. The southern region, particularly the Pincher Creek - Cardston area and the Fort Vermilion area of the Peace River region never received any significant rainfall during June or July.

Prolonged periods of hot weather in August hastened crop maturity and harvesting of the fall seeded crops was general by mid-month, and the swathing of spring seeded crops was general by month's end.

Harvesting was virtually completed in southern Alberta by mid-September but was delayed in the central and northern regions by cool and damp conditions. Favorable weather returned in early October, and by the end of the month the 1983 harvest was essentially finished.

Alberta Agriculture reports 1983 provincial per acre yields as follows: winter wheat - 952 kgs (35.0 bus.), spring wheat - 884 kgs (32.5 bus.), oats - 910 kgs (59.1 bus.), barley - 1009 kgs (46.3 bus.), rye - 828 kgs (32.6 bus.), flaxseed - 465 kgs (18.3 bus.), and canola - 445 kgs (19.6 bus.).

The 1983 Crop Insurance Season

Participation in the Crop Insurance program in 1983 showed a 9.4% increase from 1982 in terms of the number of contracts and a 15.1% increase in terms of the acreage of eligible crops insured. The total liability assumed by the basic crop insurance program rose to the record high level of $663,600,000. Indemnity payments of $51,208,337 were paid on 6,835 claims which had been generated under the basic program. When related to the total premium income for the year of $52,825,000 a loss to premium experience of 96.94% was indicated, which was considerably above the 1982 experience of 69.18%.

The total losses paid in 1983 under the basic crop insurance program and its endorsements were as follows:

		Number of Claims	Losses
Basic Crop Insurance Program	–	6,835	$51,208,337
Hail Endorsement	–	2,945	25,405,121
Unseeded Acreage Endorsement	–	14	11,924
Reseeding Benefit	–	250	352,392
Winterkill Benefit	–	22	56,410
Hay and Pasture Insurance	–	574	1,718,120
Honey Insurance Program	–	15	424,423
Alfalfa Insurance Program	–	1	37,910
		10,656	$79,214,637

Changes in the Crop Insurance Program

Changes in the Crop Insurance program for 1983 may be summarized as follows:

(1) Price Options

In 1983 the low price option was discontinued with the two remaining options being unchanged from those of 1982.

Price Options per kilogram upon which premiums and indemnities were paid in 1983 were as follows:

Grain Crops	Option #1	Option #2
	(Dollars Per Kilogram)	
Spring Wheat	.12	.15
Durum Wheat	.12	.15
Utility Wheat	.11	.14
Winter Wheat	.11	.14
Soft Spring Wheat	.11	.14
Oats	.08	.10
Barley	.09	.12
Mixed Grain	.08	.10
Rye (Spring and Fall)	.08	.13
Canola (Rapeseed)	.20	.25
Mustard	.17	.22
Flax	.20	.26

Special Crops	Option #1	Option #2
Grain Corn	$.123 kg	$.137 kg
Seed Peas	$.221 kg	$ .26 kg
Dry Beans	$ .33 kg	$ .45 kg
Dryland Potatoes	$88 tonne	$110 tonne
Irrigated Potatoes	$88 tonne	$110 tonne

Vegetable Crops	Option #1	Option #2	Option #3
	(Coverage in Dollars Per Acre)		
Peas	$304.50/acre	$326.00/acre	$348.00/acre
Beans	$308.50/acre	$333.50/acre	$352.75/acre
Corn	$237.50/acre	$254.50/acre	$271.50/acre
Carrots	$472.50/acre	$511.50/acre	$551.00/acre

(2) Reseeding Benefit

The Reseeding Benefit was extended in 1983 to cover winter wheat and fall rye.

(3) High-Risk Subsidy

The Province of Alberta increased its contribution to the High-Risk Subsidy in 1983 so that it covered the entire share of the farmers' premiums in excess of 6% at the 60% coverage level and in excess of 8% at the 70% coverage level. This change had the effect of increasing the provincial subsidy from $1,502,349 in 1982 to $3,973,475 in 1983. The farmers' premiums were reduced where the subsidy applied.

(4) Soil Classification

The No. 2 soil class or "green areas" were removed in 1983 in all regions of the province with the exception of the County of Stettler and the Municipal District of Starland. In these two municipal units there is a marked difference in production capabilities from one side to the other.

Major changes were also made in the soil classification of the following municipal units because new assessments were available for use in 1983: the Counties of Grande Prairie, Two Hills, Leduc, Beaver, Camrose, Flagstaff and Barrhead; the Municipal District of Rockyview, and Improvement District No. 15.

(5) Summerfallow Classification

The requirements for summerfallow coverage were revised for use in 1983. These changes were brought about mainly because of new breaking being brought into cultivation and qualifying as summerfallow without being properly prepared.

Hay and Pasture Insurance

The Hay and Pasture Insurance program was again offered in 1983 without any expansion from the area covered in 1982. Coverage levels remained the same as in 1982 for both the one- and two-growth programs. There was some rate adjustments in 1983 but these were minor with the exception of the rate covering the one-growth program, where increases were general because of substantial losses in 1982.

Production for this program is calculated using rainfall data submitted by policyholders and rainfall, temperature and sunshine records from official weather stations. This is done on a daily basis by taking into account the soil moisture and the heat units available for growth. Total production during the growth period is expressed as a percentage of the long-term normal production and then averaged by one-quarter townships.

Two research projects relative to the hay and pasture program were initiated by the Corporation in 1983. One project is intended to measure the impact of weather upon forage growth, particularly when it is under stress due to lack of moisture and strong winds. It is also intended that this impact will be measured as it relates to individual kinds of forage. This project is being conducted at the Alberta Horticultural Station at Brooks, with some test plots being located at Lacombe. The second project under the direction of Jim Dyer of Agriculture Canada is being carried out on a number of selected farms in west-central Alberta. This project is based on a computer model with the intent that the deterioration in the quality of hay due to excessive moisture will be measured.

The Summary of Experience for the Hay and Pasture Insurance program for 1983 and the two preceding years is as follows:

	1981	1982	1983
Policyholders	1,041	729	607
Acres Insured	145,008	122,071	106,229
Actual Liability	$8,462,330	$6,539,250	$5,805,135
Total Premiums	$ 964,580	$ 799,148	$ 755,111
Number of Claims	331	375	574
Total Awards Paid	$ 460,501	$1,049,857	$1,718,120
Loss-to-Premium Ratio	47.74%	131.37%	227.53%
Loss-to-Risk Ratio	5.44%	16.05%	29.60%

Hail Insurance Endorsement

Spot loss hail insurance was again offered in 1983 as an endorsement to the crop insurance contract. This coverage was available to contractholders who had elected the endorsement prior to May 1 on those crops listed on the Report of Seeded Crops.

The 1983 hail endorsement was elected by 13,920 contractholders for a total liability of $559,698,000. A total premium of $33,296,000 was generated and indemnities of $25,405,000 were paid to 2,784 claimants. The loss-to-premium experience under this endorsement of 76.30% was somewhat lower than the long-term experience of 85.45%. The detailed experience under this program for 1983 and for previous years is detailed under Appendix B of this report.

Honey Insurance Program

A program to provide insurance coverage for honey production was initiated in 1982. Coverage based upon either 70% or 80% of the five-year average yield for the district concerned was offered in 1983 at an insured value of 61¢ per pound. In this program the producer assumes the risk for the first 65 pounds of production. Premiums for this insurance in 1983 ranged from 4% to 7% at the 70% level of coverage and from 5.6% to 10% at the 80% level. In this program, the Province of Alberta contributes an amount equal to the producer's premium and pays all of the administrative costs of the program. The Government of Canada does not participate in this program.

A Summary of Experience for 1983 is as follows:

Policyholders	89
Number of Hives Insured	90,574
Actual Risk	$2,649,398
Net Premium	$ 366,010
Number of Claims Paid	15
Total Indemnities	$ 424,423
Loss-to-Premium Ratio	115.96 %
Loss-to-Risk Ratio	16.03 %

Alfalfa Insurance Program

A program to provide coverage for alfalfa grown for pelleting was continued in 1983. This program is based in the Falher area where 40,526 acres were under contract to two pelleting plants. Coverage of $36.00 per acre for a premium of $3.65 was available to the producer in 1983. The Government of Canada provides a premium subsidy equal to the farmer's share under this program.

A Summary of Experience for 1983 is as follows:

Policyholders	145
Actual Risk	$1,312,902
Acres Insured	40,526
Net Premium	$ 257,637
Total Claims Paid	$ 37,910
Loss-to-Premium Ratio	14.71 %
Loss-to-Risk Ratio	2.89 %

Special Assistance to High Risk Areas

As indicated in item (3) of the Changes in the Crop Insurance Program for 1983, the province almost tripled its subsidy to the farmers' premium rates. This subsidy which was initiated in 1975 is reflected in lower premium rates to farmers in those areas where the need for protection is the greatest. In 1983, 9,394 insureds were subsidized under the agreement to a total of $3,973,475. The total amount of subsidy paid to date is $13,770,059.

Alberta Hail and Crop Insurance Corporation

Financial Statements

Financial Statements March 31, 1984

Auditor's Report

Balance Sheet

Statement of Revenue, Expenditure and Reserve - Crop Insurance

Statement of Revenue, Expenditure and Reserve - Hail Insurance

Notes to the Financial Statements

Schedule of Administration Expenses - Crop Insurance

Schedule of Administration Expenses - Hail Insurance

Schedule of Trust Assets and Liabilities

Schedule of Trust Revenue, Expenditures and Unexpended Funds

AUDITOR'S REPORT

To the Board of Directors of the
Alberta Hail and Crop Insurance Corporation

I have examined the balance sheet of the Alberta Hail and Crop Insurance Corporation as at March 31, 1984 and the statements of revenue, expenditure and reserves for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1984 and the results of its operations for the year then ended in accordance with the disclosed basis of accounting, considered appropriate in the circumstances, as described in Note 2 to the financial statements applied on a basis consistent with that of the preceding year.

D.W. Rogers, F.C.A.
Auditor General

Edmonton, Alberta
June 18, 1984

Statement A
BALANCE SHEET
As at March 31, 1984

	1984	1983
ASSETS		
GENERAL		
Current:		
Cash	$ 614,284	$ 368,907
Short-term investments (Note 3)	88,731,612	81,314,790
Accounts receivable (Note 4)	1,786,655	1,409,952
Accrued interest receivable	3,640,557	1,661,079
Prepaid expenses	41,952	37,217
Due from Wildlife Damage Fund	–	45,564
	94,815,060	84,837,509
Long-term investments: (Note 3)	6,949,897	7,044,871
Fixed, at cost:		
Automobiles	78,345	78,345
Furniture and equipment	302,774	302,297
	381,119	380,642
	102,146,076	92,263,022
TRUST		
Schedule 3 (Note 5)	1,668,498	2,664,705
	$103,814,574	$94,927,727

The accompanying notes are part of these financial statements.

	1984	1983
LIABILITIES		
GENERAL		
Current:		
Accounts payable (Note 6)	**$ 1,219,054**	$ 1,116,715
Salaries and commissions payable	**303,029**	261,705
Premium refunds payable	**1,202,736**	1,072,290
Estimated indemnities payable	**376,847**	708,481
	3,101,666	3,159,191
Capital surplus arising from furniture, equipment and automobiles provided from income	**381,119**	380,642
Reserves:		
Crop insurance, Statement B	**85,655,839**	78,111,173
Hail Insurance, Statement C	**13,007,452**	10,612,016
	98,663,291	88,723,189
	102,146,076	92,263,022
TRUST		
Schedule 3 (Note 5)	**1,668,498**	2,664,705
	$103,814,574	$94,927,727

Statement B

STATEMENT OF REVENUE, EXPENDITURE AND RESERVE - CROP INSURANCE

For The Year Ended March 31, 1984

	1984			1983
	Basic Crop Program	Honey Program	Total	
REVENUE				
Premiums charged:				
Insured persons	$40,568,554	$187,900	$40,756,454	$34,864,467
Province of Alberta (Note 2(b))	3,790,470	183,005	3,973,475	1,502,349
	44,359,024	370,905	44,729,929	36,366,816
Matching portion –				
Government of Canada (Note 2(c))	43,562,776	–	43,562,776	35,807,994
	87,921,800	370,905	88,292,705	72,174,810
Investment income	8,946,695	–	8,946,695	10,913,136
	$96,868,495	$370,905	97,239,400	83,087,946
EXPENDITURE				
Indemnities	$76,259,892	$424,423	76,684,315	63,786,625
Less: Recoveries from the Province of Alberta (Note 2(b))	–	58,413	58,413	987,817
	$76,259,892	$366,010	76,625,902	62,798,808
Reinsurance premiums (Note 7)				
Crop Reinsurance Fund of Canada for Alberta			6,534,416	5,371,199
Crop Reinsurance Fund of Alberta			6,534,416	5,371,199
Administration expenses, Schedule 1			5,091,095	4,148,631
			94,785,829	77,689,837
Deduct: Administration expenses charged to Province of Alberta (Note 2(d))			5,091,095	4,148,631
			89,694,734	73,541,206
Surplus for the year			7,544,666	9,546,740
Reserve, beginning of year			78,111,173	68,564,433
Reserve, end of year			$85,655,839	$78,111,173

Statement C

STATEMENT OF REVENUE, EXPENDITURE AND RESERVE - HAIL INSURANCE

For The Year Ended March 31, 1984

	1984	1983
REVENUE		
Premiums charged	**$16,236,188**	$15,328,883
Deduct: Cash discounts allowed	**340,132**	325,230
Premium refunds	**1,205,573**	1,126,104
	1,545,705	1,451,334
Premiums, net	**14,690,483**	13,877,549
Investment income	**1,235,223**	1,819,617
	15,925,706	15,697,166
EXPENDITURE		
Indemnities	**11,409,231**	17,529,136
Administration expenses, Schedule 2	**2,121,039**	2,442,420
	13,530,270	19,971,556
Surplus (deficit) for the year	**2,395,436**	(4,274,390)
Reserve, beginning of year	**10,612,016**	14,886,406
Reserve, end of year	**$13,007,452**	$10,612,016

NOTES TO THE FINANCIAL STATEMENTS

March 31, 1984

Note 1 Authority

The Alberta Hail and Crop Insurance Corporation operates under the authority of the Hail and Crop Insurance Act, Chapter H-1, Revised Statutes of Alberta 1980.

Note 2 Significant Accounting Policies

(a) **General**

These financial statements have been prepared in accordance with generally accepted accounting principles except that the cost of furniture, equipment and automobiles is charged to operations in the year of acquisition. The cumulative total of furniture, equipment and automobile purchases is shown in the balance sheet with a corresponding credit shown as capital surplus.

(b) **Premiums – Province of Alberta**

(i) In accordance with Crop Insurance Regulations proclaimed pursuant to the Hail and Crop Insurance Act, the Province of Alberta pays the insured person's portion of premium costs in excess of a stipulated percentage of the dollar coverage on grain and oilseed crops.

(ii) The Province of Alberta has undertaken to underwrite the Honey Program which was initiated in 1982. To this extent, the Province matches the premiums charged to insured persons and also covers any deficit created by claims exceeding total premiums.

(c) **Premiums – Matching Portion Government of Canada**

An agreement between the Province of Alberta and the Government of Canada provides for the matching, by the Government of Canada, of crop insurance premiums collected from insured persons. The Corporation recognizes as revenue all premiums on crop policies sold during the year and, in accordance with the terms of this agreement, recognizes as revenue the matching portion of crop insurance premiums as collected.

(d) **Administration Expenses**

The agreement between the Province of Alberta and the Government of Canada providing for the matching of crop insurance premiums by the Government of Canada, also stipulates that all administration expenses relating to the crop insurance program will be met by the Province of Alberta. Certain of these costs are common to both the crop insurance and hail insurance programs and are allocated to the relative programs on the basis of the number of insurance contracts processed in the year. Certain office accommodations are provided by the Province of Alberta at no charge and accordingly their costs are not reflected in these financial statements.

(e) **Changes in Financial Position**

A statement of changes in financial position is not provided as disclosure in these financial statements is considered to be adequate.

Note 3 Investments

Investments are recorded at cost and are summarized as follows:

	1984		1983	
	Short-term	**Long-term**	Short-term	Long-term
Bonds and debentures:				
Government of Canada direct and guaranteed	**$ 1,249,542**	**$1,331,881**	$ –	$1,328,389
Provincial direct and guaranteed	**195,000**	**3,924,455**	234,863	3,723,237
Municipal	**99,750**	**100,120**	69,930	199,852
Corporate	**–**	**993,941**	–	1,193,393
Guaranteed investment certificates and term deposits	**87,187,320**	**599,500**	81,009,997	600,000
	$88,731,612	**$6,949,897**	$81,314,790	$7,044,871
Approximate market value at March 31	**$88,715,752**	**$5,880,357**	$81,307,712	$6,202,506

Note 4 Accounts Receivable

Accounts receivable consist of the following:

	1984	1983
Premiums	**$1,782,655**	$1,392,822
Sundry	**4,000**	17,130
	$1,786,655	$1,409,952

Note 5 Trust Funds

The Corporation is responsible for the administration of various agricultural related programs of the Province of Alberta and the Government of Canada. These are summarized on Schedules 3 and 4.

Note 6 Accounts Payable

Accounts payable consist of the following:

	1984	1983
Operating accounts	**$ 63,592**	$ 131,925
Province of Alberta	**1,102,775**	748,209
Crop Reinsurance Fund of Alberta	**34,416**	89,936
Crop Reinsurance Fund of Canada for Alberta	**18,271**	146,645
	$1,219,054	$1,116,715

Note 7 Reinsurance

Crop

In accordance with the terms of the agreement between the Province of Alberta and the Government of Canada, the Corporation is liable for reinsurance premiums to the Crop Reinsurance Fund of Alberta and the Crop Reinsurance Fund of Canada for Alberta. These premiums are based on premiums collected plus the matching portion paid by the Government of Canada. The balances in these funds, as at March 31, which are available to pay indemnities, are as follows:

	1984	1983
Crop Reinsurance Fund of Alberta	**$38,361,737**	$31,827,321
Crop Reinsurance Fund of Canada for Alberta	**54,148,167**	47,613,750
	$92,509,904	$79,441,071

Note 8 Comparative Figures

The 1983 figures have been restated where necessary to conform to 1984 presentation.

Note 9 Approval of Financial Statements

These financial statements were approved by management on June 18, 1984.

Schedule 1

SCHEDULE OF ADMINISTRATION EXPENSES – CROP INSURANCE

For The Year Ended March 31, 1984

	1984	1983
Salaries and employee benefits	$2,035,988	$1,743,203
Adjusters' wages and expenses	1,665,795	1,109,171
Fieldmen's wages and expenses	424,284	386,844
Data processing	181,829	150,314
Collection commissions and expenses	163,706	132,754
Printing, stationery and office supplies	111,909	112,029
Directors' fees and expenses	90,428	70,383
Advertising	89,943	108,858
Office rental costs	83,178	81,626
Postage and freight	73,523	69,074
Travel and automobile expenses	52,399	51,976
Telephone	52,014	44,553
Grain grading costs	23,189	15,327
Furniture and equipment	22,423	42,586
Research	8,562	17,997
Miscellaneous	11,925	11,936
	$5,091,095	$4,148,631

Schedule 2

SCHEDULE OF ADMINISTRATION EXPENSES – HAIL INSURANCE

For The Year Ended March 31, 1984

	1984	1983
Agents' commissions	$1,253,894	$1,448,481
Salaries and employee benefits	414,746	357,269
Adjusters' wages and expenses	165,345	335,219
Data processing	73,366	67,255
Advertising	58,388	53,123
Directors' fees and expenses	36,935	30,164
Collection commissions and expenses	35,885	59,825
Printing, stationery and office supplies	25,255	27,858
Postage and freight	24,832	21,644
Travel and automobile expenses	18,962	18,252
Furniture and equipment	5,425	15,186
Telephone	3,847	4,190
Miscellaneous	4,159	3,954
	$2,121,039	$2,442,420

Schedule 3

SCHEDULE OF TRUST ASSETS AND LIABILITIES
As At March 31, 1984

	1984	1983
ASSETS		
Wildlife Damage Fund:		
Cash	$ 22,718	$ 560
Due from the Province of Alberta	1,340,813	725,836
Accrued interest receivable	168	3
	1,363,699	726,399
Northern Drought Disaster Crop Advance Assistance Program:		
Cash	54,799	1,923,097
Term deposit	250,000	–
Accrued interest receivable	–	15,209
	304,799	1,938,306
	$1,668,498	$2,664,705
LIABILITIES		
Wildlife Damage Fund:		
Claims payable	$1,228,101	$ 666,158
Accounts payable	135,598	14,677
Due to general	–	45,564
	1,363,699	726,399
Northern Drought Disaster Crop Advance Assistance Program:		
Claim advances and accounts payable	–	229,570
Unexpended funds	304,799	1,708,736
	304,799	1,938,306
	$1,668,498	$2,664,705

Schedule 4

SCHEDULE OF TRUST REVENUE, EXPENDITURE AND UNEXPENDED FUNDS

For The Year Ended March 31, 1984

	1984	1983
Wildlife Damage Fund:		
Revenue		
Contributions from the Province of Alberta	$ 1,341,050	$ 725,836
Interest income	4,480	4,465
Prior year claim overpayments recovered	369	560
	1,345,899	730,861
Expenditure		
Claims	1,254,793	666,158
Administration expenses	91,106	64,703
	1,345,899	730,861
Excess of revenue over expenditure	–	–
Unexpended funds, beginning of year	–	–
Unexpended funds, end of year	$ –	$ –
Northern Drought Disaster Crop Advance Assistance Program:		
Revenue		
Advances recovered (see Note)	$ 165,157	$ –
Interest income	72,436	179,863
Contributions from the Province of Alberta	–	19,000,000
	237,593	19,179,863
Expenditure		
Contributions returned to the Province of Alberta	1,538,149	–
Advances to claimants (see Note)	60,081	17,186,900
Adjusting expenses	30,326	218,594
Administration expenses	12,974	65,633
	1,641,530	17,471,127
Excess of revenue over expenditure	(1,403,937)	1,708,736
Unexpended funds, beginning of year	1,708,736	–
Unexpended funds, end of year	$ 304,799	$ 1,708,736

Note: Advances to claimants are forgivable at the rate of 1/3 per year for each crop year (1983, 1984, 1985) in which the claimant carries crop insurance with the Corporation. During the year, $414,526 of previous advances to claimants was determined to be recoverable as a result of non-compliance with conditions of the advance. Of this amount, $165,167 was recovered during the year. Recoverable amounts are recognized in the accounts when received. Details are as follows:

Recovery Agent	Advances determined to be recoverable during year	Advances recovered during year	Recoverable advances outstanding March 31, 1984
Alberta Hail and Crop Insurance Corporation	$ 207,578	$ 127,008	$ 80,570
Province of Alberta	206,948	38,149	168,799
	$ 414,526	$ 165,157	$ 249,369

APPENDIX A

Alberta Hail Insurance Program

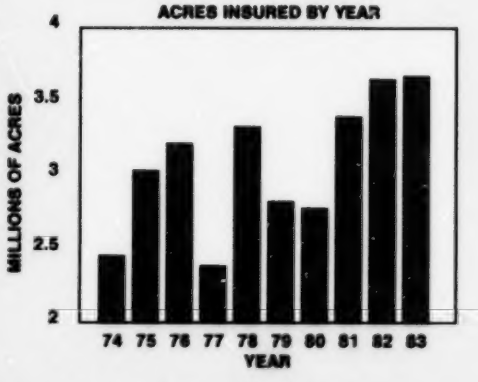
COMPARATIVE HAIL INSURANCE STATISTICS

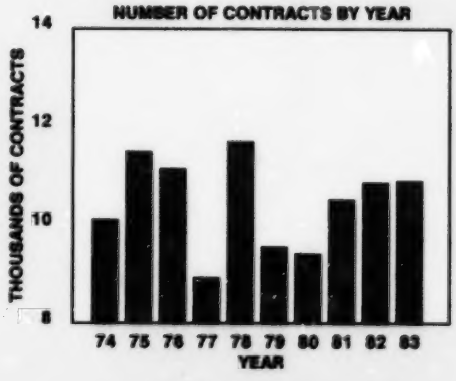
	1981	1982	1983	46-YEAR AVERAGE
Applications Received	10,636	10,621	11,014	
Acreage Insured	3,425,813	3,669,500	3,692,440	2,424,984
Actual Risk Written	$224,898,138	$262,552,900	$267,131,353	$50,202,997
Net Premium Income	$ 13,193,649	$ 15,123,405	$ 15,983,238	$ 3,178,564
No. of Days with Hail	43	35	60	52
Claims Received	1,491	2,361	1,726	2,135
Awards Paid	$ 6,884,778	$ 17,522,054	$ 12,042,242	$ 2,323,435
Loss-to-Risk Ratio	3.06%	6.67%	4.51%	4.63%
Loss-to-Premium Ratio	52.18%	115.9%	75.34%	73.10%

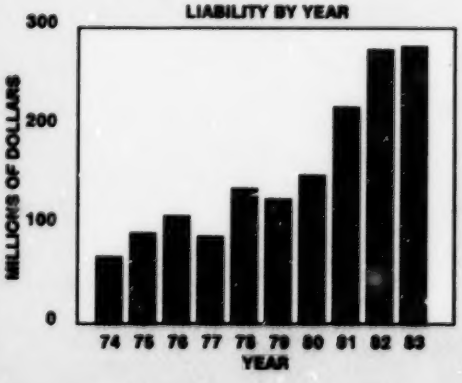
"EASTERN IRRIGATION DISTRICT" – HAIL AGREEMENT

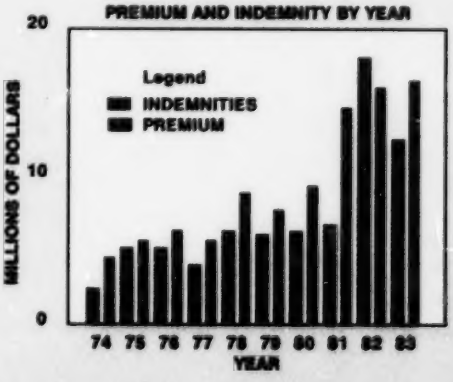
	1981	1982	1983	1974-1983 CUMULATIVE TOTAL
Acreage Insured	198,293	204,444	213,892	1,902,008
Full Cover Liability	$ 1,229,416	$ 1,471,996	$ 1,604,190	$10,128,909
Actual Liability	$ 1,106,475	$ 1,324,797	$ 1,443,771	$ 9,116,406
Premium	$ 32,718	$ 39,866	$ 43,848	$ 321,841
Losses	$ 67,040	$ 6,629	$ 1,734	$ 111,230
Loss-to-Premium Ratio	204.90%	16.63%	3.95%	34.56%

Hail Insurance Program









APPENDIX B

Canada - Alberta Crop Insurance Program

COMPARATIVE CROP INSURANCE STATISTICS

1983 PARTICIPATION AND EXPERIENCE FOR GRAIN, OILSEED, AND SPECIALTY CROPS

RISK AREA	NO. OF POLICYHOLDERS	BASIC CROP ADJUSTED LIABILITY	BASIC CROP PREMIUM*	NO. OF BASIC CROP CLAIMS PAID	BASIC CROP LOSSES PAID	BASIC CROP L/P RATIO	POLICYHOLDERS WITH HAIL ENDORSEMENT
		$'000	$'000		$'000		
1	1,053	$ 55,418	$ 3,070	311	$ 4,059	132.23%	988
2	1,065	46,005	2,943	204	1,984	67.43	984
3	1,301	60,720	4,707	228	2,381	50.59	1,203
4	1,266	47,090	3,222	348	3,133	97.24	1,010
5	2,664	122,353	5,983	307	2,477	41.40	2,368
6	1,903	62,084	2,984	411	2,979	99.85	1,880
7	820	15,192	1,135	513	4,474	394.34	781
8	3,407	101,180	6,797	1,835	16,903	248.68	3,030
9	563	9,103	1,330	208	1,044	78.54	473
10	919	14,429	1,539	431	2,501	162.50	778
11	3,415	75,337	13,895	1,360	7,600	54.70	236
12	1,508	52,837	4,909	250	1,447	29.49	175
13	97	957	164	39	160	97.27	8
14	69	894	149	23	66	44.49	6
	20,050	$ 663,599	$ 52,827	6,468	$ 51,208	96.94%	13,920

CUMULATIVE EXPERIENCE FOR GRAIN, OILSEED, AND SPECIALTY CROPS

(1965-1983 Inclusive for Basic Crop; 1973-1983 Inclusive for Hail Endorsement)

RISK AREA	BASIC CROP ADJUSTED LIABILITY	BASIC CROP PREMIUM*	BASIC CROP LOSSES PAID	BASIC CROP L/P RATIO
	$'000	$'000	$'000	
1	$ 310,306	$ 19,854	$ 15,137	76.24%
2	323,647	24,161	14,825	61.36
3	331,608	35,221	17,918	50.87
4	277,496	23,582	16,048	68.05
5	800,061	47,441	24,354	51.33
6	346,415	22,576	13,986	61.95
7	84,925	7,715	8,602	111.49
8	562,848	49,373	43,229	87.55
9	54,776	9,200	6,456	70.18
10	106,118	12,394	10,314	83.22
11	329,087	54,267	42,880	79.02
12	267,345	30,658	14,859	48.47
13	5,314	1,017	704	69.22
14	4,251	931	642	68.89
	$3,804,197	$338,390	$229,954	67.95%

*Includes Federal Contribution and Provincial High Risk Subsidies.

HAIL ENDORSEMENT LIABILITY	HAIL ENDORSEMENT PREMIUM*	NO. OF HAIL ENDORSEMENT CLAIMS PAID	HAIL ENDORSEMENT LOSSES PAID	HAIL ENDORSEMENT L/P RATIO	TOTAL PREMIUM*	TOTAL LOSSES	TOTAL L/P RATIO
$'000	$'000		$'000		$'000	$'000	
$ 49,438	$ 2,474	190	$ 2,570	103.90%	$ 5,544	$ 6,629	119.57%
39,631	1,956	128	1,352	69.14	4,899	3,336	68.10
54,942	2,771	294	5,298	191.19	7,478	7,679	102.69
39,503	2,416	151	1,478	61.18	5,638	4,611	81.78
104,066	7,932	374	2,996	37.78	13,915	5,473	39.33
58,276	5,475	362	3,336	60.95	8,459	6,315	74.65
13,967	815	68	859	105.37	1,950	5,333	273.49
85,733	4,639	609	4,504	97.07	11,436	21,407	187.19
7,940	309	84	451	146.01	1,639	1,495	91.21
12,074	629	99	601	95.54	2,168	3,102	143.08
49,465	1,905	236	831	43.60	15,800	8,431	53.36
43,374	1,907	175	1,081	56.69	6,816	2,528	37.08
817	51	8	31	60.86	215	191	88.84
471	17	6	16	95.20	166	82	49.40
$559,697	$ 33,296	2,784	$ 25,404	76.30%	$ 86,123	$ 76,612	88.96%

HAIL ENDORSEMENT LIABILITY	HAIL ENDORSEMENT PREMIUM*	HAIL ENDORSEMENT LOSSES PAID	HAIL ENDORSEMENT L/P RATIO	TOTAL PREMIUM*	TOTAL LOSSES	TOTAL L/P RATIO
$'000	$'000	$'000		$'000	$'000	
$ 217,573	$ 10,293	$ 9,375	91.07%	$ 30,147	$ 24,512	81.31%
200,735	8,719	10,187	116.84	32,880	25,012	76.07
229,055	10,691	14,872	139.11	45,912	32,790	71.42
167,767	9,524	7,312	76.78	33,106	23,360	70.56
487,218	34,921	19,699	56.41	82,362	44,053	53.49
243,643	20,455	18,586	90.86	43,031	32,572	75.69
60,360	3,420	3,258	95.26	11,135	11,860	106.51
344,950	15,999	18,271	114.20	65,372	61,500	94.08
34,084	1,208	1,071	88.66	10,408	7,527	72.32
61,062	3,204	2,015	62.88	15,598	12,329	79.04
170,345	6,071	3,201	52.73	60,338	46,081	76.37
178,129	7,844	5,304	67.61	38,502	20,163	52.37
3,737	199	131	65.91	1,216	835	69.23
2,233	65	41	63.07	996	683	68.57
$2,400,891	$132,613	$113,323	85.45%	$471,003	$343,277	72.88%

1983 SUMMARY OF EXPERIENCE FOR GRAIN AND OILSEED CROPS
(Excluding the Hail Endorsement)

CROP	PREMIUM*	LOSS	L/P RATIO
Spring Wheat	$21,876,985	$12,712,727	58.11%
Oats	1,926,995	1,968,505	102.15
Barley	14,708,319	15,865,173	107.87
Flax	168,892	217,447	128.75
Fall Rye	189,806	110,257	58.09
Rapeseed	10,178,118	17,397,382	170.93
Spring Rye	17,741	21,941	123.67
Mustard	123,026	176,389	143.38
Mixed Grain	256,194	330,125	128.86
Winter Wheat	280,807	284,942	101.47
Utility Wheat	177,438	81,285	45.81
Durum Wheat	1,608,498	1,004,070	62.42
Soft White Spring Wheat	987,639	778,856	78.86
TOTAL	$52,500,458	$50,949,099	97.05%

* Includes Federal Contribution and Provincial High Risk Subsidies

1983 INSURED ACREAGE FOR GRAIN AND OILSEED CROPS

RISK AREA	WHEAT	OATS	BARLEY	FLAX	FALL RYE	SPRING RYE	RAPESEED
1	252,598	13,584	312,882	2,045	7,577	–	30,265
2	270,696	2,810	104,755	4,863	5,135	52	24,989
3	349,501	2,074	31,984	3,654	3,193	136	9,174
4	403,328	24,302	73,706	3,499	2,415	713	87,305
5	548,128	33,016	492,818	1,991	14,368	–	181,611
6	73,697	26,152	432,111	–	959	145	140,388
7	29,552	23,933	111,563	264	–	–	24,507
8	560,221	58,198	295,285	1,875	971	2,127	394,101
9	28,927	8,660	58,110	163	–	–	41,348
10	31,479	21,617	124,863	130	35	–	24,410
11	488,521	32,897	379,660	3,798	1,876	35	367,877
12	570,011	32,376	16,147	1,052	4,181	1,650	3,886
13	2,737	2,779	7,768	–	–	–	2,292
14	2,847	1,592	7,023	53	–	–	2,795
Province	3,612,243	283,990	2,448,675	23,387	40,710	4,858	1,334,948

CUMULATIVE EXPERIENCE FOR GRAIN AND OILSEED CROPS
— 1965 - 1983 Inclusive (Excluding the Hail Endorsement)

CROP**	PREMIUM*	LOSS	L/P RATIO
Spring Wheat	$134,304,421	$ 76,142,992	56.69%
Oats	18,622,415	15,601,583	83.78
Barley	109,365,208	78,136,039	71.45
Flax	2,733,532	2,203,245	80.60
Fall Rye	981,500	414,659	42.25
Rapeseed	55,665,241	46,707,850	83.91
Spring Rye	153,474	74,812	48.75
Mustard	1,190,772	721,704	60.61
Mixed Grain	1,812,952	1,671,002	92.17
Winter Wheat	1,916,834	1,062,986	55.46
Utility Wheat	1,931,413	1,346,277	69.70
Durum Wheat	6,424,744	2,171,300	33.80
Soft White Spring Wheat	1,546,205	1,058,205	68.44
TOTAL	$336,648,711	$227,312,654	67.52%

** By Crops, Insurance Was First Offered As Follows:-

1965 - Wheat, Oats and Barley
1969 - Rapeseed
1971 - Flaxseed
1974 - Fall Rye
1975 - Winter Wheat, Spring Rye, Mustard and Mixed Grain
1976 - Utility Wheat
1980 - Durum Wheat
1982 - Soft White Spring Wheat

* Includes Federal Contribution and Provincial High Risk Subsidies

MUSTARD	MIXED GRAIN	DURUM WHEAT	WINTER WHEAT	SOFT WHITE SPRING WHEAT	UTILITY WHEAT	RISK AREA TOTAL
4,571	1,901	27,466	15,698	1,800	2,955	673,342
9,028	1,054	75,373	13,386	22,133	6,991	541,265
6,824	243	97,497	14,623	82,637	1,818	603,358
2,385	2,680	2,121	742	152	753	604,101
2,753	2,643	5,545	87	3,736	15,910	1,302,606
—	6,307	145	—	—	305	680,209
—	5,153	—	—	—	—	194,972
—	6,291	90	—	—	975	1,320,134
—	771	—	—	—	—	137,979
—	1,604	—	—	—	—	203,838
—	430	160	—	140	—	1,275,394
490	7,070	57,589	90	11,721	120	706,383
—	562	—	—	—	—	16,138
—	—	—	—	—	—	14,310
26,051	36,709	265,986	44,626	122,319	29,827	8,274,029

1983 SUMMARY OF EXPERIENCE FOR SPECIAL CROPS

CROP	NO. OF INSUREDS	ACRES INSURED	BASIC PREMIUM*	BASIC LIABILITY	NO. OF LOSSES	BASIC LOSSES	BASIC L/P RATIO	HAIL ENDORSEMENT NO. OF INSUREDS
Seed Peas	45	3,626	$ 48,770	$ 557,175	3	$ 12,425	25.48%	44
Dry Beans	37	2,372	48,113	470,107	0	–	–	24
Potatoes	26	3,355	101,101	2,281,472	6	22,038	21.80	22
Grain Corn	21	5,620	126,339	1,237,657	18	224,776	177.91	20
	129	14,973	$ 324,323	$ 4,546,411	27	$ 259,239	79.93%	110

CUMULATIVE SUMMARY OF EXPERIENCE FOR SPECIAL CROPS

(Seed Peas, Dry Beans 1976-1983; Potatoes 1975-1983; Grain Corn 1981-1983)

CROP	NO. OF INSUREDS	ACRES INSURED	BASIC PREMIUM*	BASIC LIABILITY	NO. OF LOSSES	BASIC LOSSES	BASIC L/P RATIO	HAIL ENDORSEMENT NO. OF INSUREDS
Seed Peas	245	15,621	$ 174,020	$ 1,756,905	8	$ 37,340	21.46%	200
Dry Beans	508	38,264	715,658	7,165,666	35	532,731	74.44	260
Potatoes	196	25,636	529,960	10,444,350	11	277,039	52.28	128
Grain Corn	53	11,637	269,299	2,641,244	22	253,022	93.96	48
	1,002	91,158	$1,688,937	$22,008,165	76	$1,100,132	65.14%	636

1983 SUMMARY OF EXPERIENCE FOR VEGETABLE CROPS

CROP	NO. OF INSUREDS	ACRES INSURED	PREMIUM*	LIABILITY	NO.OF LOSSES	LOSSES	L/P RATIO
Peas	85	4,196.0	$ 153,392	$ 1,459,372	17	$ 120,809	78.76%
Beans	14	435.0	15,026	153,446	10	50,863	339.00
Corn	29	2,603.5	81,725	706,850	6	50,488	62.00
Carrots	3	20.5	1,360	11,296	0	–	–
	131	7,255.0	$ 251,503	$ 2,330,964	33	$ 222,160	88.33%

CUMULATIVE SUMMARY OF EXPERIENCE FOR VEGETABLE CROPS

Peas 1968-1983; Beans 1971-1983; Corn 1973-1983; Carrots 1979-1983

CROP	NO. OF INSUREDS	ACRES INSURED	PREMIUM*	LIABILITY	NO. OF LOSSES	LOSSES	L/P RATIO
Peas	1,274	61,660.2	$1,004,611	$10,072,018	158	$ 953,709	94.93%
Beans	217	7,189.0	203,510	1,365,684	52	171,291	84.17
Corn	378	25,136.5	532,179	4,479,412	67	442,605	83.17
Carrots	17	68.0	19,084	106,130	1	893	4.68
	1,886	94,053.7	$1,759,384	$16,023,244	278	$1,568,498	89.15%

*Includes Federal Contribution

HAIL ENDORSEMENT PREMIUM*	HAIL ENDORSEMENT LIABILITY	NO.OF LOSSES	HAIL ENDORSEMENT LOSSES	HAIL ENDORSEMENT L/P RATIO	TOTAL PREMIUM	TOTAL LOSSES	TOTAL L/P RATIO
$ 31,608	$ 537,021	13	$ 100,475	317.88%	$ 80,378	$ 112,900	140.46%
15,780	310,469	8	72,968	462.41	63,893	72,968	114.20
126,510	2,100,522	8	193,069	152.61	227,611	215,107	94.51
71,615	1,207,821	9	172,453	240.81	197,954	397,229	200.67
$245,513	$ 4,155,833	38	$ 538,965	219.53%	$ 569,836	$ 798,204	138.32%

HAIL ENDORSEMENT PREMIUM*	HAIL ENDORSEMENT LIABILITY	NO. OF LOSSES	HAIL ENDORSEMENT LOSSES	HAIL ENDORSEMENT L/P RATIO	TOTAL PREMIUM	TOTAL LOSSES	TOTAL L/P RATIO
$ 85,501	$ 1,425,905	31	$ 138,931	162.49%	$ 259,521	$ 176,271	67.92%
170,744	3,250,004	51	355,997	208.50	886,402	888,728	100.26
537,491	8,550,699	25	660,277	122.84	1,067,451	937,316	87.81
143,225	2,486,947	12	199,170	139.06	412,524	452,192	109.62
$936,961	$15,713,555	119	$1,354,375	144.55%	$2,625,898	$2,454,507	93.47%

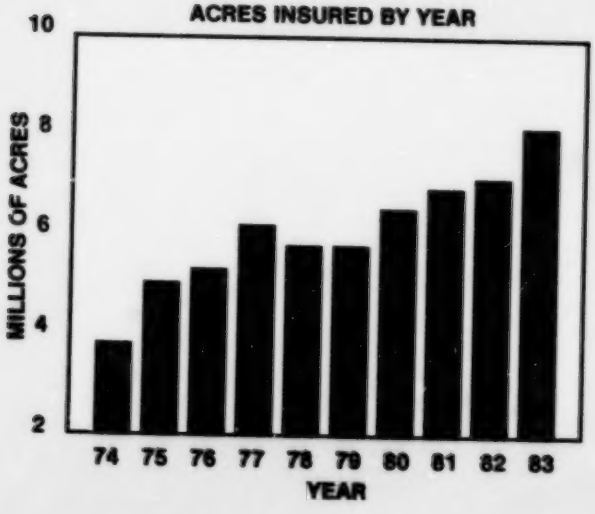
HAIL ENDORSEMENT IS NOT AVAILABLE FOR VEGETABLE CROPS

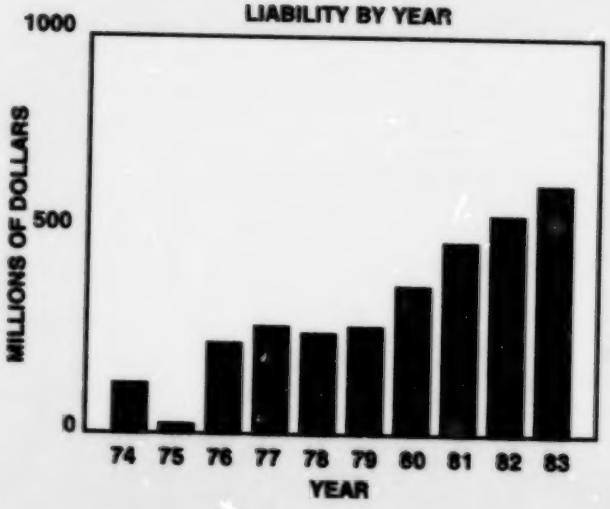
SUMMARY OF EXPERIENCE FOR BASIC PROGRAM AND HAIL ENDORSEMENT FOR ALL CROPS BY YEAR

(Hail Endorsement available since 1973)

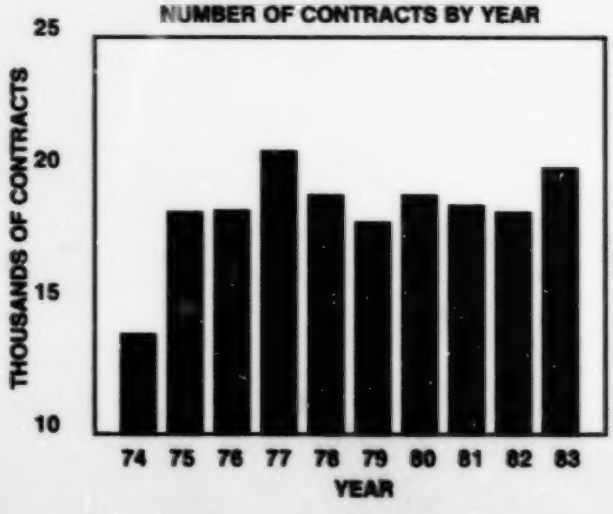
YEAR	NO. OF INSUREDS	ACRES INSURED '000	TOTAL LIABILITY '000	—PREMIUMS PAID BY INSUREDS— BASIC '000	HAIL ENDORSEMENT '000	TOTAL '000
1965	1,312	250	$ 3,232	$ 218		$ 218
66	4,408	991	13,460	753		753
67	9,892	2,271	36,857	1,930		1,930
68	15,763	3,910	63,950	3,449		3,449
69	16,201	3,561	57,105	3,135		3,135
70	12,856	2,306	31,941	2,102		2,102
71	11,323	2,429	33,310	2,173		2,173
72	10,202	2,314	37,073	2,146		2,146
73	12,296	3,201	73,399	2,830	$ 1,165	3,995
74	13,883	3,838	125,863	5,255	1,974	7,229
75	18,685	5,113	215,976	10,328	3,371	13,699
76	18,580	5,343	229,289	11,484	3,790	15,274
77	20,878	6,301	279,520	13,631	4,846	18,476
78	19,258	5,908	259,967	13,466	4,756	18,222
79	18,253	5,882	280,471	14,069	5,567	19,636
80	18,862	6,640	381,048	18,150	8,568	26,718
81	18,638	7,009	483,148	21,361	11,223	32,584
82	18,323	7,204	547,384	22,127	12,851	34,978
83	20,050	8,289	663,600	26,412	16,647	43,059
	279,663	82,760	$3,816,593	$175,019	$74,758	$249,776

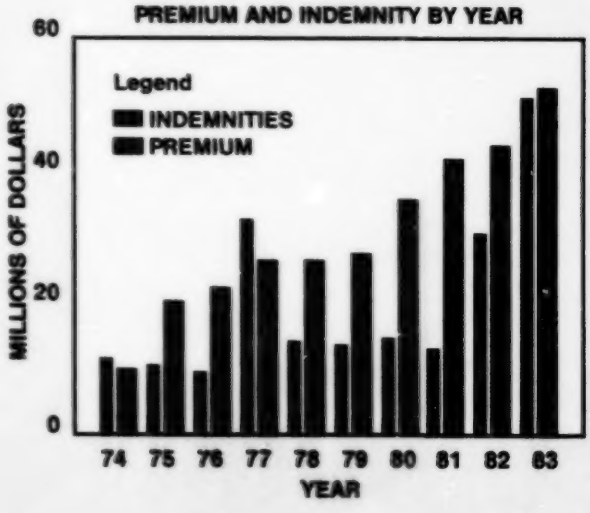
Crop Insurance Program





–PREMIUMS PAID BY CANADA–				–INDEMNITIES–			
BASIC '000	HAIL ENDORSEMENT '000	TOTAL '000	TOTAL PREMIUMS '000	BASIC '000	HAIL ENDORSEMENT '000	TOTAL '000	L/P RATIO
$ 73		$ 73	$ 291	$ 48		$ 48	16.49%
251		251	1,004	315		315	31.37
643		643	2,573	1,200		1,200	46.64
1,150		1,150	4,598	5,508		5,508	119.79
1,045		1,045	4,180	6,298		6,298	150.63
699		699	2,801	1,699		1,699	60.67
753		753	2,926	2,410		2,410	82.37
656		656	2,802	2,119		2,119	75.62
2,830	$ 1,165	3,995	7,990	5,671	$ 765	6,436	80.55
5,255	1,974	7,229	14,458	11,695	2,111	13,806	95.49
10,329	3,371	13,700	27,399	11,284	7,072	18,320	66.86
11,485	3,790	15,275	30,549	9,692	6,808	16,500	54.01
13,632	4,846	18,478	36,954	33,225	4,905	38,130	103.18
13,466	4,756	18,222	36,444	14,791	7,895	22,686	62.25
14,069	5,567	19,636	39,272	14,129	12,717	26,846	68.35
18,150	8,568	26,718	53,436	14,741	17,285	32,026	59.93
21,361	11,223	32,584	65,168	13,110	13,680	26,790	41.11
22,127	12,851	34,978	69,956	30,615	31,796	62,411	89.22
26,412	16,647	43,059	86,118	51,208	25,405	76,613	88.96
$164,386	$74,758	$239,144	$488,919	$229,758	$130,439	$360,161	73.67%



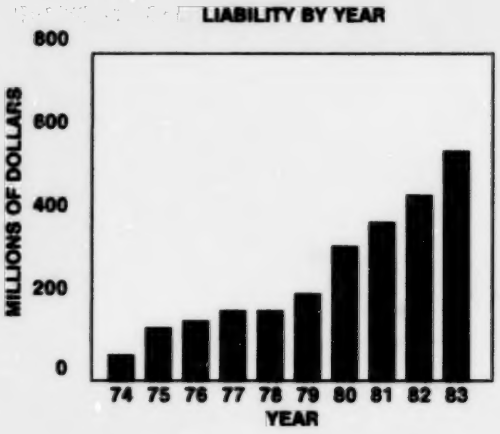


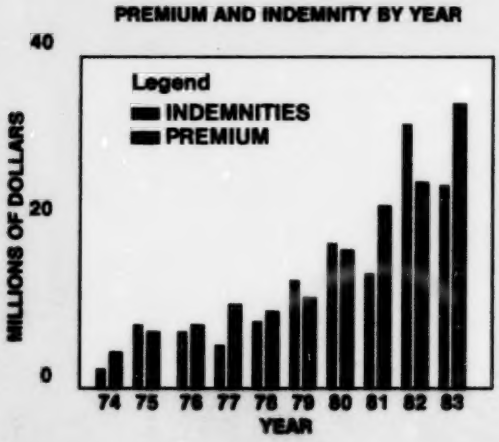
1983 HAIL ENDORSEMENT EXPERIENCE BY GRAIN AND OILSEED CROPS

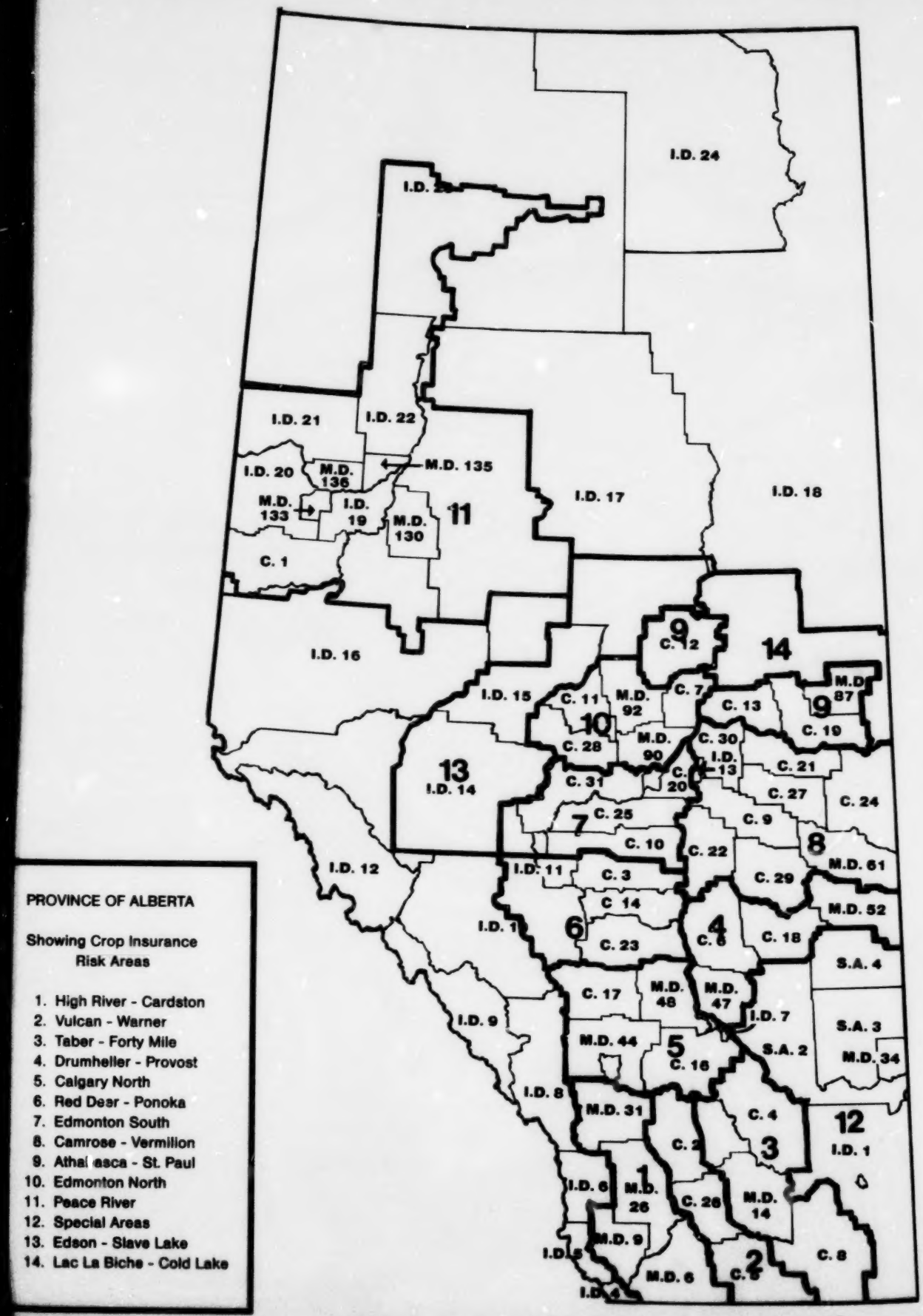
CROP	ACRES	TOTAL RISK	TOTAL PREMIUM*	TOTAL LOSS	HARVEST ALLOWANCE	L/R	L/P
Spring Wheat	2,926,941	$237,571,625	$12,084,738	$ 8,528,640	$126,926	3.59%	70.57 %
Oats	220,415	11,474,399	650,387	334,427	3,445	2.91	51.42
Barley	2,084,832	164,631,820	10,164,628	7,615,390	115,978	4.63	74.92
Flax	19,395	1,549,453	84,365	31,975	676	2.06	37.90
Fall Rye	36,935	2,517,726	158,837	90,267	1,184	3.59	56.83
Rapeseed	1,146,136	88,529,761	7,392,978	4,967,766	90,613	5.61	67.20
Spring Rye	3,661	128,736	5,601	0	0	—	—
Mustard	24,563	1,693,250	115,052	159,210	3,076	9.40	138.38
Mixed Grain	31,669	1,911,149	117,154	53,327	144	2.79	45.52
Winter Wheat	42,879	4,130,228	183,640	246,405	5,512	5.97	134.18
Utility Wheat	26,381	2,531,137	148,081	73,128	498	2.89	49.38
Durum Wheat	240,479	19,092,204	870,538	1,051,027	16,021	5.51	120.73
Soft Spring	121,124	19,780,676	1,074,012	1,714,594	32,174	8.67	159.64
	6,925,410	$555,542,164	$33,050,011	$24,866,156	$396,247	4.48 %	75.24 %

*Includes Federal Contribution

Hail Endorsement to the Crop Insurance Program







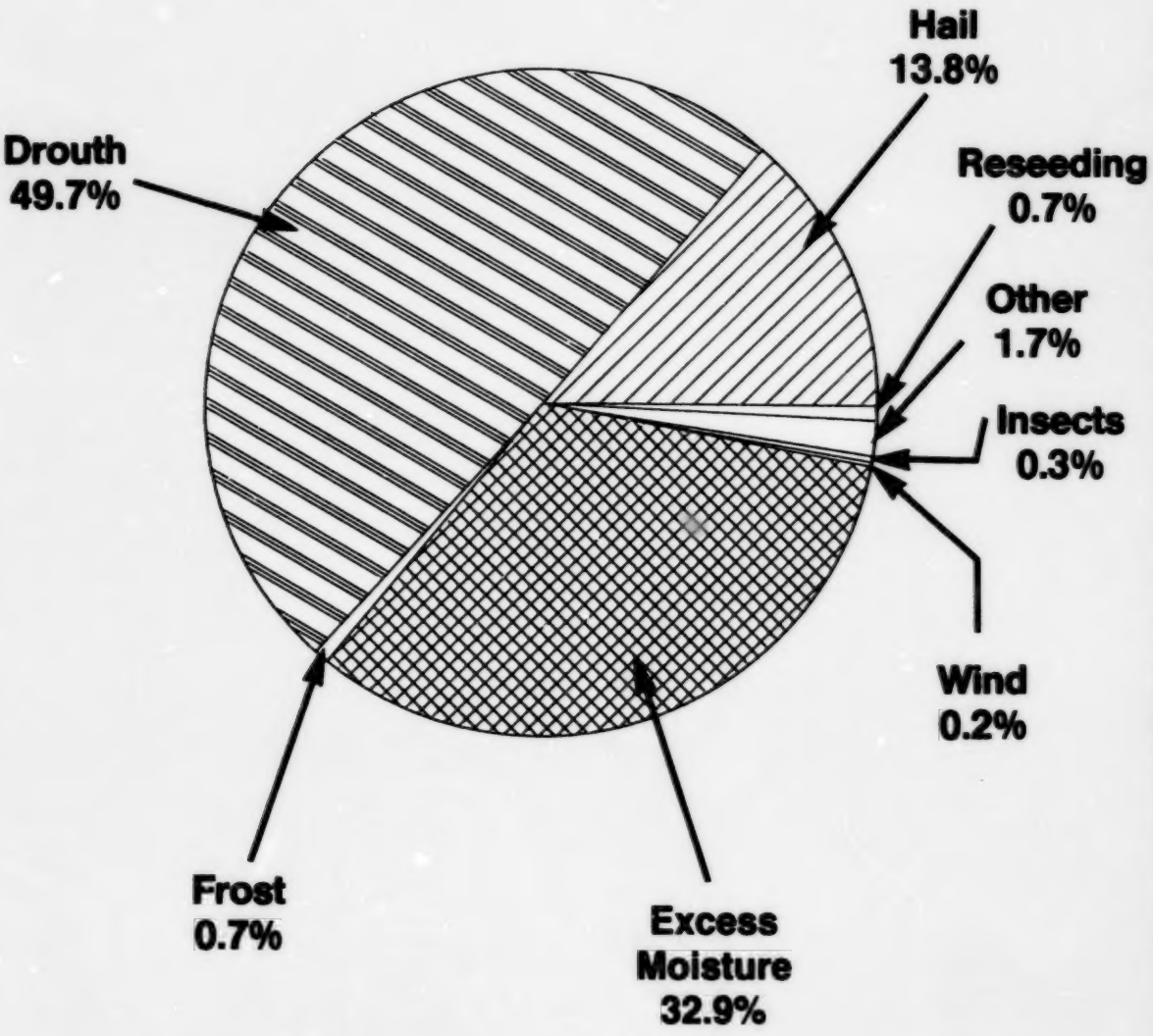
PROVINCE OF ALBERTA

Showing Crop Insurance Risk Areas

1. High River - Cardston
2. Vulcan - Warner
3. Taber - Forty Mile
4. Drumheller - Provost
5. Calgary North
6. Red Deer - Ponoka
7. Edmonton South
8. Camrose - Vermilion
9. Athabasca - St. Paul
10. Edmonton North
11. Peace River
12. Special Areas
13. Edson - Slave Lake
14. Lac La Biche - Cold Lake

Alberta Hail and Crop Insurance Corporation

LOSS DISTRIBUTION BY TYPE OF CLAIM
1983 CROP YEAR



POOR

QUALITY

ORIGINAL